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Annual report of the Administrator

Annual report of the Administrator on the strategic plan: performance and results for 2011

Summary

The Executive Board, in its decision 2011/14, established expectations for the annual report following the midterm review of the strategic plan, 2008-2013. This is the first report based on the revised development results framework comprising 25 corporate outcomes, selected outcome indicators, and a new output indicator. The report and its annexes provide an overview of UNDP results and contributions across all four focus areas, together with an in-depth analysis of the nine corporate outcomes as agreed with the Executive Board.

The Executive Board may wish to: (a) take note of the annual report and its annexes; and (b) provide further guidance for the combined annual report and cumulative review of the strategic plan to be presented next year, along with the draft of the strategic plan, 2014-2017.

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Annexes *(available on the UNDP website)*

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I. Introduction

1. This report presents an analysis of results and UNDP performance in 2011. It builds on the midterm review of the UNDP strategic plan, 2008-2013, and reflects continuous UNDP efforts to respond to emerging needs and challenges in a fast-changing world.

II. Strategic positioning in a fast-changing world

A. New developments and emerging trends

2. The year 2011 saw political and economic events of a historic nature and scale unfolding around the world. The deepening of the European sovereign debt and banking crises threatened the fragile recovery of the global economy and created additional challenges for developing countries and for international development cooperation. In a context of increasing uncertainty about global economic recovery, three events stand out. One is the people's movement that swept across North Africa and spread to the Middle East. The second is the widespread famine and persistent political instability in the Horn of Africa, which now threatens to affect the Sahel region. The last is the persistence of major shocks and disasters, exemplified by the meltdown of the nuclear plant in Fukushima, Japan, following a massive earthquake and subsequent tsunami – startling evidence of human fragility in one of the most developed societies in the world.

3. Other powerful trends have emerged or accelerated. Progress towards the Millennium Development Goals has varied widely, as progress on some targets at the global level masks slow improvement in many countries and regions. Notwithstanding such divergences, many of the Goals remain within reach for many developing countries, and more than two-thirds of developing countries are estimated to be on or close to target. Technological innovation and digital devices and services are spreading around the world, providing new avenues for voice and participation. In many countries going through demographic transition, 'youth bulges' or 'demographic windows' are observed or projected. Political transitions resulting from peaceful elections were observed on all continents, including in a large number of African countries. Protracted or violent conflicts have continued to plague the lives of hundreds of millions of people in various 'hot spots'. Financial instability and global economic imbalances still have negative repercussions the world over.

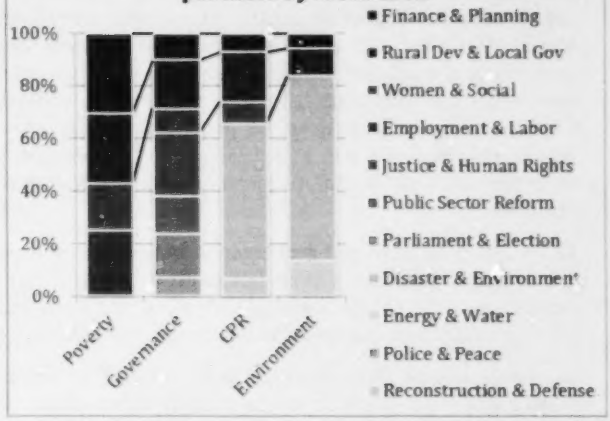
4. While the debate over the implications of these shifts continues, three broad lessons can be drawn. One is the power of democratic aspirations underpinned by a strong demand for equity of political, social and economic opportunities among young generations. Another is the detrimental impact of shocks, both slow and sudden, which can jeopardize human progress at all levels of development and reverberate across national boundaries. The third is the reassertion of interconnectedness as a structuring feature of our world: intertwined global challenges affect all countries and require collective action.

5. These forces create both immense challenges and tremendous opportunities for change. They highlight and explain the growing emphasis on resilience, equity and inclusiveness, and sustainability, and their implications for global public goods and regional dynamics. While it is unclear which specific development goals and policy frameworks the international community will settle on as a result of the Rio+20 conference and beyond, it is clear that these considerations should figure prominently on the agenda of all development actors.

6. Beyond the global developments, regional trends continue to shape policymaking. In sub-Saharan Africa, many positive achievements are coupled with concerns over inclusiveness, poverty, vulnerability and climate change, as well as the capacity of the continent to generate decent, productive employment for its young population. In countries of Latin America and the Caribbean, which have enjoyed sustained economic growth and decreasing levels of income inequality, citizen insecurity, dissatisfaction with the quality of democracy and concern over the 'middle-income trap' remain salient. In countries of Central and Eastern Europe and the Commonwealth of Independent States, the after-effects of the global crisis, social exclusion of minorities and the persistence of frozen conflicts are pressing concerns. In the Arab States region, the impact of environmental change presents both challenges and opportunities for regional cooperation to maintain livelihoods and economic opportunities, as well as to support significant governance change. The Asia-Pacific region, despite impressive growth, is confronting the challenge of

making the benefits of growth more inclusive; manage the effects of climate change; boost female economic and political participation; and strengthen institutions and processes to make them accountable and responsive to the needs of citizens.

Figure 1. Distribution of Government partners by focus area



7. Over the past few years, development actors have been operating in a shifting institutional and financial landscape marked by reduced aid budgets and the need to define commitments for the development agenda of the future. International attention is focused on improving development effectiveness by, inter alia, maximizing the use of national capacities and systems and enhancing mutual accountability, as highlighted *inter alia* in the Istanbul Programme of Action. UNDP will engage in this evolving environment in keeping with the outcome of the quadrennial comprehensive policy review and the on-going work of the Istanbul Programme of Action. This work will also be informed by the Fourth High Level Forum on Aid Effectiveness, the 'New Deal' for transition and post-crisis countries, and South-South and triangular cooperation.

B. UNDP strategic positioning and value added

8. UNDP pursues a 'multiple win' approach to development that helps partners translate social, economic, and environmental challenges into multi-sector, multi-institutional and multi-stakeholder transformational change. On the one hand, the UNDP business model combines universality with a coordinating and convening role, anchored by its substantive role as a development organization; on the other, it provides its counterparts with an impartial partner to help them craft nationally relevant development solutions that respond to local challenges and aspirations.

9. As the coordinator of the United Nations Development Group and as a multilateral development programme, UNDP works at the intersection of the global and national development agendas. UNDP helps country partners translate development commitments at the global level in ways that are responsive to national needs and are founded in an integrated platform for delivery across population groups and sectors. The solutions require the mobilization of many international and national actors and must cut across policies, institutions and systems. The in-house expertise of UNDP in the areas of poverty reduction, democratic governance, crisis prevention and recovery, and energy and the environment reflects the fact that the international community recognizes the inter-linked nature of the challenges, and the need for integrated solutions that do more than minimize horizontal damage among them, but rather maximize 'wins' across them, since failure in one area limits progress in others.

10. UNDP engages with countries at the output level through four 'dimensions': (a) leveraging its awareness-raising and convening role to maximize participation and voice in the national dialogue on development, including in assisting countries to provide an accessible platform for the under-served to be represented in development decisions that affect their lives (the 'awareness dimension'); (b) leveraging its impartiality to assist in the revision of policies, plans and budgets (the 'policy dimension'); (c) using its operational capacity and global knowledge to help countries implement innovative, crisis-responsive solutions that contribute to inclusive transformational change (the 'implementation dimension'); and (d) working with community, organizational and institutional partners to craft strategies to increase resilience to threats and shocks and bring about sustainable change for institutions and for future generations (the 'resilience dimension').

11. Evidence suggests that UNDP contributions in these dimensions are influencing positive change in many, though not all, of its outcome areas. The work of UNDP with partners to translate the Millennium Development Goals agenda into national plans and budgets, and to accelerate implementation strategies, is

progressing significantly, though profound challenges remain. UNDP implementation support in the translation of global vertical funds into national contexts shows how UNDP can leverage vertical fund spending into multi-sector, sustainable gains – for the Global Environment Facility (GEF) into cross-cutting advances in poverty and the environment; and for the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), by addressing the socio-economic determinants of health outcomes that cut across institutions and sectors. In biodiversity work at the national level, UNDP is showing how 'triple-win' approaches can simultaneously serve biodiversity conservation, gender empowerment, and sustainable livelihoods. Awareness-raising for participatory approaches to development has increased the inclusion of gender and youth issues in policy and planning processes. And awareness and preparedness in disaster risk reduction, now prominent features of policy and planning processes, are contributing to community resilience.

12. Sharpening focus and performance are continuing priorities. Each country office and programme unit is encouraged to follow a three-part strategy, to pursue: (a) the core priorities agreed with governments for the current cycle; (b) the sustainability of, or exit from, legacy projects and results from prior cycles; and (c) innovation to ensure agility in the face of new challenges and opportunities.

13. Based on the 2011 reporting year, the first in which the new outcome and output-indicator based system was used, some areas are strongly substantiated by reporting evidence while others remain less clear. One major challenge concerns the evidence base to underpin sustainability and institutional capacities, which will receive particular attention in the next reporting cycle.

III. Development results

14. The first part of this chapter presents significant results and progress observed in 2011. The second part, together with annex II, provides an in-depth look at results contributing to the nine selected outcomes agreed with the Executive Board, covering the four UNDP focus areas. UNDP contributions through its engagement profile at the output level, described in paragraph 10, above, are highlighted throughout.

A. Key results and UNDP contribution

15. Accelerating the achievement of the Millennium Development Goals remains a key focus of UNDP work. The Millennium Development Goals acceleration framework designed as a United Nations system process to address off-track Goals has been the main vehicle of UNDP support in this area, having been applied thus far in 31 countries, 13 of which are least developed countries. UNDP support of the Goals at the output level shifted from the policy to the implementation dimension, reflecting the greater maturity and local ownership of the agenda. Following the successful piloting of the acceleration framework in 2010, eight countries are applying the methodology to health-related areas (Goals 5 and 6), paying special attention to gender inequality and HIV/AIDS; two to address employment related issues; and four to address food security.

16. Food security concerns were particularly pressing in sub-Saharan Africa in 2011, following the major food crisis of 2008. In the Horn of Africa the combination of persistent political instability and a major drought resulted in widespread famine. Food and nutrition insecurity also threatened the Sahel region against a background of low rainfall and political tension. Those developments highlight the need to consider the socioeconomic, political and environmental dimensions of the food security question when building mitigation capacities to increase resilience.

17. Interventions under the Millennium Development Goals acceleration framework were initiated in four countries in the Sahel starting in 2010, and action plans were developed in two countries in 2011. Together with United Nations partners, in 2011 UNDP provided over $170 million to 39 countries towards food security. In low-income countries UNDP assistance focused on expanding access to food by supporting increases in food production, establishing resilience mechanisms to protect crops and livestock in areas prone to drought and other natural disasters, and stimulating the food industry for commerce as a means to increase income. Sixteen countries in Africa specifically targeted increased resilience and capacity to respond to crises.

18. Food and nutrition concerns are not limited to availability and access. In many countries in Latin America and the Caribbean, Eastern Europe and Asia – including a large number of middle-income countries – UNDP worked to reduce malnutrition by incorporating food into social programmes and protection mechanisms; diversifying production and tightening safety standards; and stimulating food industry for commerce as a means to increase the income of poorer groups.

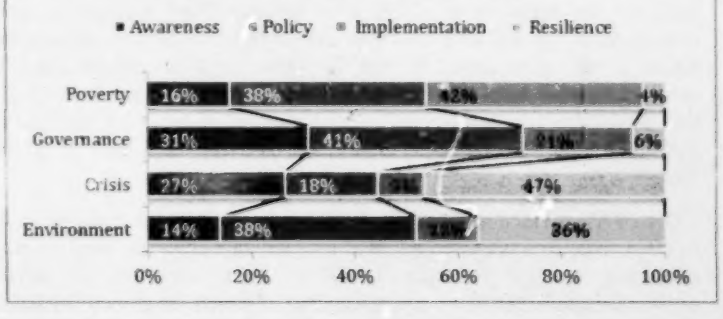
19. UNDP made notable achievements in responding to the HIV epidemic and provided $275 million in assistance to 46 countries through multi-sector initiatives. More than 70 per cent of countries reporting on HIV highlighted contributions to gender results, including increased attention to women and girls in national HIV plans and budgets; strengthened leadership of women living with HIV; and improved maternal health. Several high-prevalence countries in Africa witnessed significant drops in prevalence rates and increased coverage of life-saving drugs and preventative measures. UNDP achievements are reaffirmed by recent independent evaluations which positively assessed its HIV programmes, including contributions to strengthening legislative environments; promoting human rights and gender equality; and addressing the needs of marginalized groups.

20. In 2011, UNDP served as a principal recipient for the Global Fund to Fight AIDS, Tuberculosis and Malaria in 32 countries, enabling national partners to access valuable resources for improving health outcomes and providing life-saving treatment and prevention services to millions of people in need. The UNDP focus on building capacity and resilience has resulted in the successful handover of programme management responsibilities to partners in 14 countries, including three over the last 12 months.

21. Employment creation and income generation are both a top priority and a daunting challenge for countries across regions and development levels. In 2011, UNDP, in many cases working with UNCDF, spent close to $300 million in strategic and operational support to 62 countries on job creation and livelihoods enhancement, directly benefiting 1.6 million individuals worldwide (in addition to livelihoods gains from interventions that had other primary objectives). UNDP work on social protection schemes in 50 of those countries ensured the inclusion of women, youth, and vulnerable groups. UNDP also worked to create legal and policy frameworks that facilitated jobs creation for vulnerable groups, built institutional capacity to monitor and utilize reliable labor market statistics, and developed and implemented policies and programmes targeting vulnerable groups.

22. In crisis-affected countries, UNDP worked with governments to establish temporary employment through public works as a way to secure livelihoods. In 2011, more than 5.2 million workdays were generated through UNDP-supported emergency and short-term employment schemes involving over 170,000 skilled and unskilled workers, close to 40 per cent of whom were women or other vulnerable and marginalized groups. In Haiti alone, 1.296 million workdays benefited 64,800 workers. UNDP worked to inject cash, and emergency employment schemes helped revitalize local economies in target countries, increased the purchasing power of beneficiaries, and promoted savings and investments to create longer-term livelihoods by establishing micro- and small businesses in Burundi, Myanmar and Somalia. In Kenya, UNDP supported the drafting of a policy addressing the problem of internally displaced persons, complemented by programmes in drought-prone regions and post-election violence 'hotspots', that provided business skills training to diversify livelihoods in the communities and reduce their vulnerability due to single-sector dependency.

Figure 2. UNDP profile by focus area



23. The people's movement that spread across North Africa and found echoes in other parts of the Arab world in 2011 expressed a growing demand for government accountability and a voice for younger generations. It resulted in political transitions or reforms in half a dozen countries, affecting the lives of over 100 million people. UNDP articulated a multi-faceted

strategy that was launched in 2011.

24. Electoral processes in seven countries in the region benefited from training, technical expertise and knowledge exchanges with other countries. In Egypt, strengthened technical and operational capacity of the electoral authorities contributed to parliamentary elections with increased numbers of voters, including women with newly issued identity cards. In Tunisia, UNDP delivered capacity development and implementation support for the election to the constituent assembly, 23 per cent of whom were women. The capacities of newly formed political parties were developed, and technical support was provided for a new law guaranteeing civil society rights to political participation. In Yemen, strengthening of the electoral authority led to elections, in February 2012, in which 60 per cent of eligible voters cast ballots.

25. UNDP used its global presence to facilitate country-to-country exchanges of support and lessons learned from Latin American democratic transitions in Argentina, Brazil, Chile, and Mexico with Egypt and Tunisia. This involved political and constitutional reforms, electoral support and participation, human rights and transitional justice, economic and social policies during transitions, and job creation and social inclusion experiences from different countries.

26. The year 2011 saw elections far beyond the Arab region. In Africa alone, 16 countries held national elections, all of which benefited from UNDP assistance. UNDP provided electoral cycle assistance in 58 countries – 28 in Africa, 10 in Latin America and the Caribbean 9 in Asia and Pacific, 6 in the Arab States, and 5 in Europe and the Commonwealth of Independent States. While the number of women represented in legislative bodies, local governance structures, development committees and ministerial-level positions remains low, some encouraging steps have been observed – in sub-Saharan Africa, for example. In Nigeria, there was a dramatic increase in the number of women candidates in all 63 political parties. At least 1,400 women contested primary elections within their parties, an increase of 200 per cent over 2007. The momentum generated resulted in women occupying at least 35 per cent of elected positions. While evaluations attest to UNDP effectiveness in delivering technically sound electoral assistance, more attention needs to be paid to the long-term sustainability of election institutions and systems through the predictable application of the electoral cycle approach by country offices on the one hand, and sustained and timely international financing on the other.

27. Working primarily with ministries of justice and the interior, UNDP assisted 90 countries in strengthening institutions, formal and informal, to provide access to justice to individuals and communities and to guarantee the rule of law. (Work on anti-corruption and human rights institutions was reported on in DP/2011/22). In 34 conflict-affected or vulnerable settings, integrated actions across the penal chain strengthened criminal investigation techniques, legal assistance for local populations, and logistical support to mobile court systems and police investigators. In Somalia, mobile courts in Somaliland increased formal cases by 64 per cent, and extended to 50 villages in Puntland, including two internally displaced persons camps. In Tunisia, Zimbabwe and other countries, UNDP supported constitution-making processes as a vital component to strengthening the state-society compact.

28. UNDP programme delivery in South Sudan was approximately $97 million, including help in preparing the country for independence. UNDP contributions included essential assistance for training, logistics and financial management for the successful conduct of the referendum on self-determination in January 2011; state-building at national and sub-national levels to perform core functions; and extension of the rule of law and law enforcement to the remotest parts of the country. One flagship UNDP project involved the deployment of 138 civil servants from neighboring countries to mentor South Sudanese counterparts – an initiative which an independent review considered a model of triangular donor support for South-South cooperation. Access to justice and law enforcement was also expanded through the establishment of 53 police stations or posts across all 10 states. An independent outcome evaluation found that those initiatives contributed to reducing community-level conflicts and represented "an effective model for integrating security, governance and recovery activities in a unified conceptual and programme framework".

29. UNDP provided support to sub-national capacities for crisis prevention and recovery across all regions in 2011. Newly established national or local capacities for conflict prevention or mediation were applied concretely in eight countries. UNDP provided assistance for developing and consolidating conflict prevention capacities to 14 countries, nine of which developed capacities to the point where they can now

be applied. The value of early action to diffuse and mediate situations with the potential to evolve into larger crises was also demonstrated, such as the prevention or mitigation of early elections-related violence in Benin, Maldives, and Uganda.

30. UNDP contributed to pro-poor economic growth based on sound environmental management. Thirty-eight countries – 20 of which demonstrated increased access to under-served populations – adopted policies or strategies for sustainable energy services. Integrated approaches to water and coastal resources management were applied in 109 countries, increasing access to safe water and basic sanitation services and supporting the governance of over 20 of the most important trans-boundary freshwater and marine systems in the world. Sound biodiversity and ecosystems management helped improve livelihoods in 140 countries, while 30 worked on land management interventions, improving the productivity and rehabilitation of 19 million hectares and benefiting 300,000 land users.

31. In 2011, UNDP supported 140 countries in addressing the impact of climate change, formulating and implementing low-emission, climate-resilient development strategies; overcoming market and institutional barriers to climate change adaptation; and undertaking the investment assessments required for priority mitigation or adaptation measures in key sectors.

32. In support of public transparency and accountability for the use of aid, 79 country offices reported, at the end of 2011, that countries had developed national aid policies, joint assistance strategies or similar policy tools; and 86 countries had implemented aid management systems. At the regional level, UNDP worked to strengthen capacities of key institutions. For example, support to the African Union Commission focused on strengthening aid coordination, including the development of an aid information management system. UNDP facilitated the participation of over 200 attendees, from the academic, public and private sectors and 43 African governments, in the final pan-preparatory meeting for the Fourth High-level Forum on Aid Effectiveness, enabling Africa to articulate a formal, consolidated position for the first time.

B. In-depth analysis of UNDP against nine focus outcomes

33. The nine selected in-depth outcomes for this report represent all focus areas, emphasizing employment, social protection, access to justice, citizen security, citizen participation, and electoral processes.

34. In measuring progress for each of the outcomes, table 1 matches results to outcome indicators agreed in 2011. Annex II provides country examples of UNDP contributions in each outcome and adds depth to the results.

Table 1. 2011 results for nine in-depth outcomes

In-depth focus outcomes	Agreed outcome indicators (based on countries reporting under this outcome)	Results (number of countries)
Poverty 1.2 Inclusive growth and social equity promoted through pro-poor macroeconomic and fiscal policies that support income, employment and social protection of your women and vulnerable groups in a sustainable way	Number of countries that have adopted country-led action plans to accelerate MDG achievement targeting marginalized populations	13 of 18 (72%)
	Number of countries that improved coverage of women, youth and vulnerable groups in employment support initiatives or social protection schemes	14 of 18 (78%)
Poverty 1.3 Policies, strategies and partnerships established to enhance public-private sector collaboration and private sector and market development that benefits the poor and ensure that low-income households and small enterprises have access to a broad range of financial and legal services	Number of countries that have adopted policies promoting development of small enterprises and women entrepreneurship, increasing access to productive assets and financial services for the poor	26 of 36 (72%)
	Number of countries that have adopted policies in support of private-public initiatives to improve public services	20 of 36 (56%)
Governance 2.2 Electoral laws, processes and institutions strengthen inclusive participation and professional electoral administration	Number of countries have increased the percentage of eligible voters included in voter's registries	17 of 20 (85%)
	Number of countries where electoral management bodies have adopted measures to advance gender equality	12 of 20 (60%)

Governance 2.6 Effective, responsive, accessible and fair justice systems promote the rule of law, including both formal and informal processes, with due consideration of the rights of the poor, women and vulnerable groups	Number of countries that have increased access to formal and informal justice that strengthen women's and men's legal rights	28 of 32 (88%)
	Number of countries that have adopted policies or programmes to prevent and respond to gender-based violence	21 of 32 (66%)
Governance 2.8 Strengthened national-, regional- and local-level capacity to mainstream gender equality and women's empowerment in government policies and institutions	Number of countries that have adopted law reform initiatives that advance gender equality	20 of 30 (67%)
	Number of countries where public administration bodies have adopted measures to advance gender equality, including gender parity	18 of 30 (60%)
Crisis 3.4 National and local institutions have the capacity to respond to gender-based violence and to increase women's civic engagement, participation and leadership in crisis prevention, ongoing crisis and post-crisis settings	Number of countries that have adopted measures to ensure access to legal aid to victims of gender-based violence	Mostly reported under outcomes 2.6 and 2.8
	Number of countries where women increasingly engage, participate or provide leadership in crisis prevention, resolution and post-crisis peace building	
Crisis 3.5 National and local institutions have the capacity to deliver improved justice and security, including safeguarding citizen security, in conflict-affected settings	Number of countries that have increased the number of cases processed with due diligence	5 of 7 (71%)
	Number of countries that have adopted policies to prevent armed violence or citizen security programmes	3 of 7 (43%)
Environment 4.1 Development plans and programmes integrate environmentally sustainable solutions in a manner that promotes poverty reduction, MDG achievement and low-emission climate-resilient development	Number of countries that have integrated environmental and climate change considerations into national or subnational development plans and programmes	85 of 108 (79%)
	Number of countries that have increased access to renewable and clean energy to the poor and vulnerable	56 of 108 (52%)
Environment 4.3 National and local governments and communities have the capacity to adapt to climate change and make inclusive and sustainable environment and energy decisions benefiting in particular under-served populations	Number of countries that have adopted policies or strategies for improved sustainable energy services	34 of 36 (94%)
	Number of countries that have adopted initiatives to overcome market or institutional barriers to climate change adaptation	27 of 36 (75%)

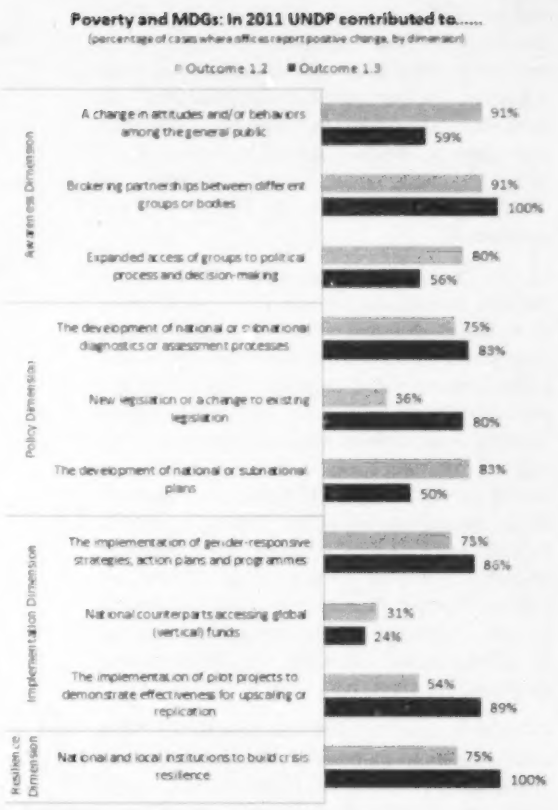
Poverty and achievement of the Millennium Development Goals

35. UNDP contributions in the poverty and Millennium Development Goals focus area at the output level were primarily through the policy and implementation dimensions, progressing from the former to the latter. This focus area represents on average 31 per cent of total UNDP development expenditures from 2008 to 2011, covering approximately 99 per cent of UNDP programme countries.

36. Primary UNDP contributions to *outcome 1.2* were: (a) Millennium Development Goals-based national development plans, and (b) local-level development to strengthen the implementation and scaling-up of successful policies. Thirteen of 18 countries supported by UNDP adopted country-led action plans to accelerate achievement of the Goals, targeting marginalized populations. Implementation of those policies started in nine of the countries, five of which demonstrated that objectives were being achieved. Seven countries improved coverage of women, youth and vulnerable groups through employment support initiatives or social protection schemes.

Box 1. Poverty practice in 2011	
Countries	**148**
…Least developed countries	48
National outcomes	**353**
…with positive change	228
Expenditure	**$1,277m**
Outcome 1.2	
Countries	**18**
…Least developed countries	4
National outcomes	**24**
…with positive change	20
Expenditure	**$35m**
Outcome 1.3	
Countries	**36**
…Least developed countries	10
National outcomes	**36**
…with positive change	26
Expenditure	**$150m**

37. UNDP work in *outcome 1.3* focused on: (a) developing inclusive markets; (b) establishing policy and institutional infrastructure; and (c) implementing programmes to ensure direct engagement of the poor in growth-oriented formal sectors of the economy. Twenty-six of the 36 countries supported by UNDP adopted policies promoting the development of small enterprises and women's entrepreneurship, increasing access to productive assets and financial services for the poor; 17 among them have implemented these policies and report increased access by youth, women and vulnerable groups. 20 countries adopted policies in support of private-public initiatives to improve public services; 13 of those started implementing these policies, and four demonstrated positive change



38. As detailed in annex II, accelerated implementation of the Millennium Development Goals – to which UNDP has contributed through brokering new partnerships and changes in attitudes – appears to be taking hold. There are indications that challenges with cross-sector implementation and better integration of market-based solutions are being addressed through the Millennium Development Goals acceleration framework, but these need to be analysed further.

Democratic governance

39. UNDP responded to country needs in the democratic governance focus area primarily through contributions in the policy and awareness dimensions (41 per cent and 30 per cent of outcomes, respectively).

40. This focus area represents on average 36 per cent of total UNDP development expenditures from 2008 to 2011, covering on average 95 per cent of UNDP programme countries. Expenditures in 2010 and 2011 show a decline due to the shift in reporting, primarily from Afghanistan, of governance outcomes in post-crisis countries to the crisis prevention and recovery focus area.

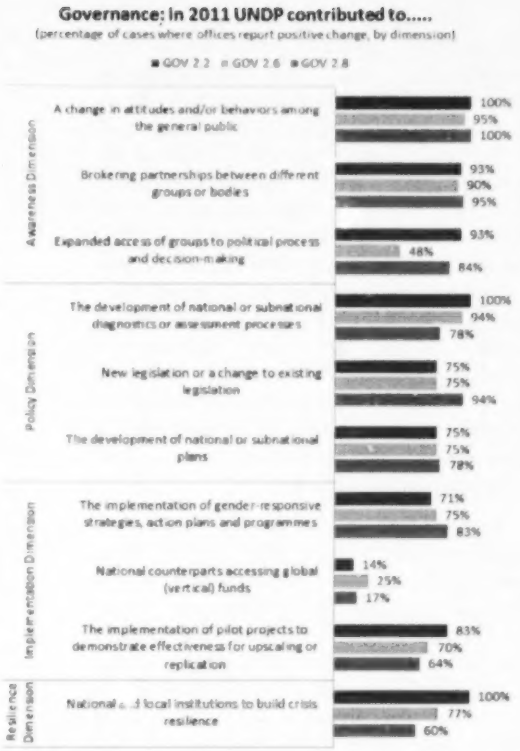
41. The three selected in-depth outcomes in this focus area include UNDP contributions to *improve inclusive participation and representation* in government policies, processes and institutions; and to *strengthen rule of law and the rights of women and vulnerable groups*.

42. In 2011, of the 58 countries where UNDP provided electoral cycle support (see chapter III, section A), 20 reported under *outcome 2.2*. UNDP work focused on: (a) longer-term support to capacities of electoral institutions and making electoral processes more sustainable; (b) increasing education and participation of women as voters and candidates, and (c) fair, transparent elections

Box 2. Governance practice in 2011	
Countries	**141**
…Least developed countries	48
National outcomes	**332**
…with positive change	229
Expenditure	**$1,192m**
Outcome 2.2	
Countries	**20**
…Least developed countries	9
National outcomes	**20**
…with positive change	13
Expenditure	**$87m**
Outcome 2.6	
Countries	**32**
…Least developed countries	14
National outcomes	**34**
…with positive change	19
Expenditure	**$97m**
Outcome 2.8	
Countries	**30**
…Least developed countries	14
National outcomes	**34**
…with positive change	21
Expenditure	**$146m**

and political transitions. Seventeen of those 20 countries adopted initiatives to increase the percentage of eligible voters included in voter registries, 15 of which demonstrated an increase in voter registration. Electoral management bodies adopted measures to advance gender equality in 12 countries, of which 6 monitored gender impact in their operations.

43. In 2011, UNDP supported 32 countries through contributions to *outcome 2.6*. Work in this area focused on: (a) strengthening institutions in legal awareness, assistance and empowerment; (b) strengthening the rights and participation – including improved citizen security – of women and vulnerable groups; and (c) participation and equality in constitutional reform. Of those 32 countries, 28 developed initiatives to increase access to formal and informal justice to strengthen women's and men's legal rights; 22 showed positive change. Twenty-one countries adopted policies or programmes to prevent and respond to gender-based violence; 14 demonstrated progress.



44. Thirty countries were supported by UNDP contributions to *outcome 2.8* in 2011. Twenty of them adopted law reform initiatives; six of those demonstrated that objectives were being reached. In 18 countries, public administration bodies adopted measures to advance gender equality, including gender parity; 11 implemented the measures, seven of those demonstrated that objectives are being achieved.

45. As detailed in annex II, progress was made in the management and conduct of electoral processes, and UNDP contributed to expanding participation through policy advice and increased awareness. Evaluations reveal that in addition to the effective delivery of technical assistance, the cost-effective sustainability of national capacity to carry out elections requires closer attention.

Crisis prevention and recovery

46. The UNDP crisis prevention and recovery focus area addressed challenges in disaster risk reduction and recovery and support to countries in special development situations. Those countries accounted for $1.6 billion of expenditures in 2011, reported under a number of outcomes across all focus areas.

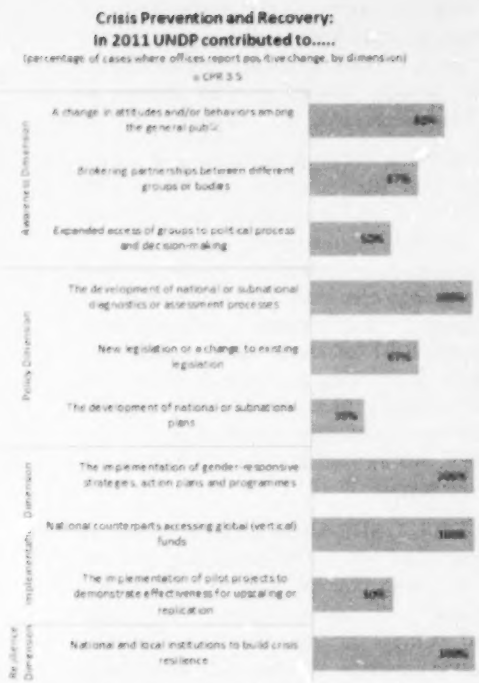
47. Approximately 70 per cent of country offices reporting under crisis prevention and recovery targeted disaster risk reduction. UNDP contributions to disaster risk reduction were primarily reported in the resilience dimension (over 50 per cent of outcomes).

Box 3. Special development situations in 2011	
Countries	**16**
…Least developed countries	13
National outcomes	**98**
…with positive change	60
SDS total expenditure	**$1,648m**
Poverty reduction	$1,277m
National outcomes	353
… SDS national outcomes	**30**
… SDS expenditure	**$330m**
Democratic governance	$1,192m
National outcomes	332
… SDS national outcomes	**37**
… SDS expenditure	**$356m**
Crisis prevention and recovery	$1,091m
National outcomes	125
… SDS national outcomes	**20**
… SDS expenditure	**$788m**
Energy and the environment	$534m
National outcome	185
… SDS national outcomes	**11**
… SDS expenditure	**$23m**
*SDS – special development situations	

48. This focus area represented about 22 per cent of total UNDP development expenditures from 2008 to 2011, covering approximately 62 per cent of UNDP programme countries.

49. The two selected in-depth outcomes in this focus area cover UNDP contributions to strengthening the capacities of national and local institutions: women's engagement, participation and leadership; and improved justice and citizen security.

50. While only one country (Pakistan) reported under *outcome 3.4*, UNDP contributed to addressing gender-based violence in 22 countries, reported under *outcomes 2.6 and 2.8* (see above and annex II). Lessons from its three-pronged approach – institution building; security and justice delivery; and policy level interventions – used in Iraq, Sierra Leone and Somalia, served to drive programmes in other countries.


Crisis Prevention and Recovery:
In 2011 UNDP contributed to.....
(percentage of cases where offices report positive change, by dimension)
n CPR 35
Awareness Dimension
A change in attitudes and/or behaviors among the general public
Brokering partnerships between different groups or bodies
Expanded access of groups to political process and decision-making
Policy Dimension
The development of national or subnational diagnostics or assessment processes
New legislation or a change to existing legislation
The development of national or subnational plans
Capacity Dimension
The implementation of gender-responsive strategies, action plans and programmes
National counterparts accessing global (vertical) funds
The implementation of pilot projects to demonstrate effectiveness for upscaling or replication
Resilience Dimension
National and local institutions to build crisis resilience

51. While most countries reported justice sector work under *outcome 2.6*, seven countries reported contributions to *outcome 3.5* in 2011. UNDP contributions focused on rapidly re-establishing justice and security services in the aftermath of crisis; building national capacity to improve the responsiveness and accountability of justice and security institutions; and supporting community empowerment and citizen security, with a focus on women's security and access to justice. Five of the seven countries supported by UNDP adopted an initiative to increase the number of properly processed justice cases, implemented in all five countries and resulting in an increase in cases processed with due diligence. In two of the countries, a new or revised policy or programme on the prevention of armed violence or citizen security has been adopted, and there is evidence of progress in both.

52. As detailed in annex II, UNDP is making a significant contribution to strengthened access to justice and the protection of citizens, particularly women, by building up legal and penal capacity in countries. Challenges remain in integrating gender concerns across the legal-penal chain.

Energy and the environment

53. UNDP work in this area has increased over the years, accelerating efforts to advance an integrated approach to sustainable development based on responsible growth and equity.

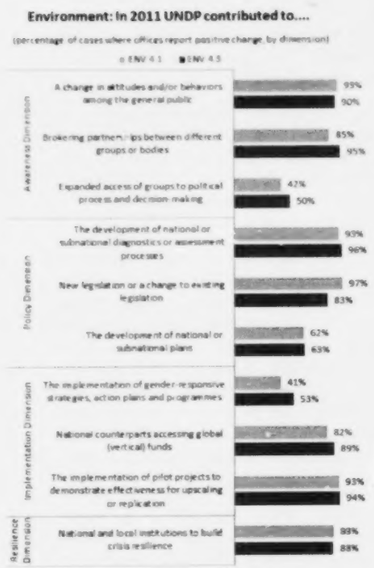
54. This focus area represented about 11 per cent of total UNDP development expenditures from 2008 to 2011, covering approximately 91 per cent of UNDP programme countries. From 2008 to 2011 the UNDP portfolio increased by 19 per cent, with climate change-specific work growing 300 per cent. Small Island Developing States were particularly affected by climate change and environmental threats; they all requested UNDP support.

55. The primary UNDP engagement in this area relates to the policy dimension (36 per cent of outcomes), followed by the resilience dimension (34 per cent of outcomes).

56. The two selected in-depth outcomes in this focus area are:

Box 4. Environment practice in 2011	
Countries	143
…Least developed countries	41
National outcomes	185
…with positive change	122
Expenditure	$1,535m
Outcome 4.1	
Countries	108
… Least developed countries	26
National outcomes	108
…with positive change	68
Expenditure	**$325m**
Outcome 4.3	
Countries	**27**
…Least developed countries	7
National outcomes	**57**
…with positive change	36
Expenditure	**$161m**

UNDP contributions to the integration of environmental concerns into national and local development plans, and strengthened capacities to address environmental sustainability, climate change adaptation and access to environmental services.



57. UNDP contributions to *outcome 4.1* were reported for 108 countries in 2011, with 31 per cent of total expenditure coming from local government resources. Eighty-five of those countries integrated environmental and climate change considerations into national or subnational development plans and programmes; 41 of them demonstrated that outcomes were being reached. Initiatives to increase access to clean, renewable energy by the poor and vulnerable were adopted in 56 countries, 40 of which have demonstrated increased access.

58. In 2011, UNDP supported 36 countries in this area, 27 of which reported under *outcome 4.3*, with low-income countries accounting for 35 per cent of expenditures. Thirty-four adopted policies or strategies for improved sustainable energy services (25 have been implemented), and 17 demonstrated that outcomes were being reached. Initiatives to overcome market or institutional barriers to climate change adaptation were adopted by 29 countries; 22 implemented them and 17 demonstrated that objectives were being met.

59. As detailed in annex II, UNDP contributed many innovative solutions to the mainstreaming of environmental concerns into all sectors, and case studies on 'Triple Wins for Sustainable Development' were published in March 2012.

IV. Scan and analysis of UNDP outputs

Development effectiveness

60. In 2011, five priority development effectiveness outputs and indicators were introduced to track results in this new budget category. An analysis based on 2011 data found a significant inverse correlation between investment in development effectiveness and levels of programme fragmentation (a proxy for focus). That benefit diminishes markedly at medium and low levels of investment.

61. The development effectiveness category was designed as a results-based means to guide and monitor UNDP performance, including its response to recurring evaluation findings. Specific measures, by indicator, are included in annex II. A fuller analysis of output, outcome and related indicators will be conducted for the cumulative review, initial findings for which will be ready by January 2013 to feed into the next strategic plan.

Engagement profile at the output level

62. The midterm review resulted, inter alia, in the introduction of a fourth output indicator, the engagement profile at the output level, which captures the four dimensions of UNDP contributions to transformational change (see table 1). The dimensions helped UNDP isolate the influence of its work in each outcome area.

63. As 2011 was the first year for which data was collected for the engagement profiles – and it was voluminous – UNDP will deepen its analysis after the submission of this annual report for purposes of the cumulative review in 2013. Annex I provides information on the potential and caveats related to data interpretation, and next steps.

Table 2. Percentage of country-level outcomes connected to each corporate output dimension, by focus area

Output dimension	Poverty and the MDGs*	Democratic governance	Crisis and recovery	Energy and the environment
Awareness	16%	31%	27%	14%
Policy	38%	41%	18%	38%
Implementation	42%	21%	9%	12%
Resilience	4%	6%	47%	36%
Total	100%	100%	100%	100%

*Millennium Development Goals

64. In the poverty reduction and Millennium Development Goals focus area, UNDP reporting in 2011 reflected a shift towards accelerating progress towards the Goals, particularly lagging ones. In *democratic governance*, UNDP interventions combined the awareness with the policy dimensions, illustrating its focus on voice and participation, with its support of national and local policies and programmes to achieve lasting change. In *crisis prevention and recovery*, the awareness and resilience dimensions were combined so that individuals, institutions and communities affected by crises and shocks could discuss their expectations and choices regarding how to rebuild, recover and move forward. Finally, in *energy and the environment*, the resilience dimension to cope with climate change and to 'green' economic development was leveraged by progress in the policy dimension, creating a framework for raising living standards for current and future generations.

Figure 3. Gender by output dimension

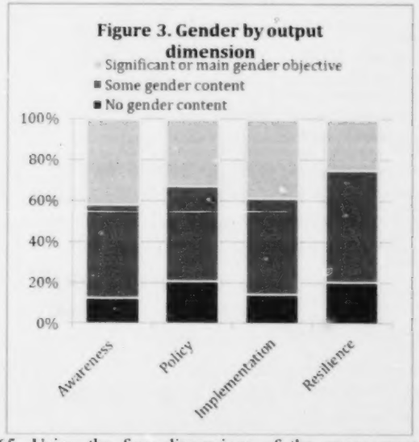
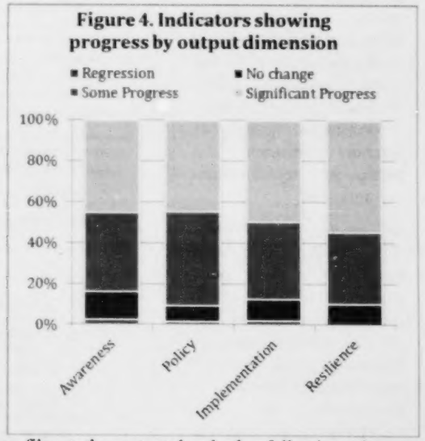


Figure 4. Indicators showing progress by output dimension



65. Using the four dimensions of the engagement profile at the output level, the following picture emerged: the awareness dimension accounted for $390 million, and 45 per cent of related outcome indicators showed significant progress. The policy dimension accounted for $961 million, and 45 per cent of outcome indicators showed marked progress. The implementation dimension accounted for $1.611 million, and 50 per cent of related outcome indicators showed considerable progress. Finally, the resilience dimension accounted for $515 million, and 55 per cent of related outcome indicators showed significant progress. For about 6 per cent of outcomes, country offices did not indicate an engagement profile at the

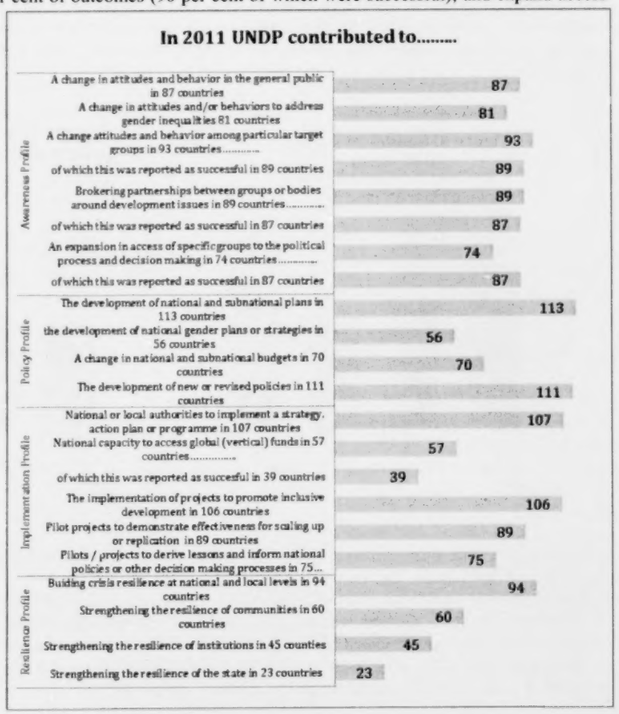
output level for 2011, which, together with global and regional outcomes, accounted for the remaining balance of programme expenditures.

66. Figure 3 shows that in all output dimensions, at least 79 per cent of projects are designed to deliver some or significant gender benefits, as measured by country offices through the 'gender marker'. The analysis now needs to confirm whether planning for specific gender results also leads to their achievement.

Table 3. Percentage of country outcomes, by country typology, supported by each corporate output dimension

Output dimension	Low income	Middle income	Net contributing	Special development	Least developed
Awareness	23%	21%	22%	18%	22%
Policy	35%	36%	43%	35%	34%
Implementation	25%	27%	22%	25%	25%
Resilience	17%	16%	13%	22%	19%
Total	100%	100%	100%	100%	100%

67. *Awareness dimension.* Of the 22 per cent of country outcomes towards which UNDP contributed in this area, UNDP sought to change attitudes and behavior in the general public in 85 per cent of cases; address gender inequality in 64 per cent of cases, and among particular target groups in 92 per cent of cases (89 per cent of which were reported successful); broker partnerships between groups or bodies around development issues in 87 per cent of outcomes (90 per cent of which were successful); and expand access of specific groups to the political process and decision-making in 60 per cent of cases. The main counterparts of UNDP in raising awareness, brokering and convening were environment, human rights, women's affairs institutions, civil society organizations, justice or interior ministries, and peace and reconciliation commissions.


In 2011 UNDP contributed to.....
Awareness Profile
A change in attitudes and behavior in the general public in 87 countries
87
A change in attitudes and/or behaviors to address gender inequalities 81 countries
81
A change attitudes and behavior among particular target groups in 93 countries.....
93
of which this was reported as successful in 89 countries
89
Brokering partnerships between groups or bodies around development issues in 89 countries.....
89
of which this was reported as successful in 87 countries
87
An expansion in access of specific groups to the political process and decision making in 74 countries.....
74
of which this was reported as successful in 87 countries
87
Policy Profile
The development of national and subnational plans in 113 countries
113
the development of national gender plans or strategies in 56 countries
56
A change in national and subnational budgets in 70 countries
70
The development of new or revised policies in 111 countries
111
Implementation Profile
National or local authorities to implement a strategy, action plan or programme in 107 countries
107
National capacity to access global (vertical) funds in 57 countries.....
57
of which this was reported as successful in 39 countries
39
The implementation of projects to promote inclusive development in 106 countries
106
Pilot projects to demonstrate effectiveness for scaling up or replication in 89 countries
89
Pilots / projects to derive lessons and inform national policies or other decision making processes in 75...
75
Resilience Profile
Building crisis resilience at national and local levels in 94 countries
94
Strengthening the resilience of communities in 60 countries
60
Strengthening the resilience of institutions in 45 counties
45
Strengthening the resilience of the state in 23 countries
23

68. *Policy dimension.* This output dimension constitutes the most frequently reported of the four. Among the 36 per cent of country outcomes towards which UNDP contributed in this way, it contributed to the development of national and subnational plans in 84 per cent – including national gender plans or strategies in 26 per cent – of cases; a change in national and subnational budgets in 38 per cent of outcomes; and the development of new or revised policies in 78 per cent of outcomes, among which 35 per cent of the supported policy changes were adopted, 30 per cent under consideration, 34 per cent under development and only 1 per cent stalled or rejected. UNDP counterparts included ministries of planning, environment and disaster response, public sector reform entities, justice and interior ministries, and local governments, focusing especially on developing national and subnational plans.

69. *Implementation dimension.* This output dimension was the second most commonly reported. Among the 25 per cent of country outcomes towards which UNDP contributed in this way, it supported national or local authorities in implementing a strategy, action plan or programme in 94 per cent of outcomes (28 per cent of which were implemented); national capacity to access global (vertical) funds (such as GEF and GFATM) in 41 per cent of outcomes (30 per cent of which led to the country actually accessing the funds in 2011); and the promotion of inclusive development in 94 per cent of outcomes. To achieve those results, UNDP partnered mainly with government agencies in charge of employment and business development, and environmental and rural development institutions. UNDP helped 22 countries establish partnerships to promote public-private collaboration and market development benefiting the poor and ensuring that low-income households and small enterprises have access to a broad range of financial and legal services.

70. *Resilience dimension.* UNDP engaged predominantly in disaster risk, peacebuilding and reconciliation, the environment, and local governance. Seventeen per cent of country outcomes focused on building capacities at national and local levels. Natural disaster preparedness, climate change, ar. natural resource and environmental management accounted for two-thirds of outcomes, and conflict or armed violence, and financial and economic outcomes, accounted for the rest. Community and institutional resilience feature prominently in this dimension, together, we believe, with policy and implementation elements. Data under this dimension are difficult to analyse because of diverse interpretations of definitions used, so the analysis and data capture will be refined going forward.

V. Business modernization efforts

71. Delivering development results effectively and efficiently requires an adaptable programmatic arm working at global, regional and country levels, as well as modern, efficient institutional management and operations (see annex II).

United Nations development coordination

72. UNDP took all the actions requested by the management and accountability system as reflected in the management response of the United Nations Development Group (UNDG) to the management and accountability system review. UNDP delivered comprehensive results for a functional firewall. It reviewed the appraisal of resident representatives, resident coordinators and country directors to ensure the integrity of their respective positions, and the job descriptions were updated accordingly. The responsibility of the resident coordinator for mobilizing resources for the system, and that of the country director for mobilizing resources for UNDP, has been implemented. While the resident coordinator/resident representative is assessed by the UNDG regional team, UNDP assesses country director roles. Regional development teams have made progress drawing on the technical assets of partner organizations to achieve substantive collaboration. The peer support group mechanism, with staff members from regional offices, supports and engages with United Nations country teams in United Nations Development Assistance Framework 'roll-out' countries. Resident coordinators originating from agencies other than UNDP constitute 36 per cent of the total.

73. Building on the provisions of the Triennial Comprehensive Policy Review and reforms driven by the 'delivering as one' pilot countries, the implementation of new harmonized solutions resulted in more effective, robust and high-quality management and programme support services. For example, the establishment of a common information communications technology infrastructure resulted in a reduction of per-user costs of between 30 and 60 per cent. Common procurement systems, and the conclusion – and in a number of countries the use – of joint long-term arrangements for the most frequently procured supplies and services led to improved value for money.

74. Evidence from the 'delivering as one' pilots, as well as the results of the global common services survey, suggests that the benefits of common services are greater than was projected. In Mozambique, 11 United Nations organizations that used to negotiate separate security contracts started jointly contracting one company, resulting in improved bargaining power and better terms and conditions, including lower prices (saving $200,000-$300,000 in two years) and lower transaction costs (time savings of approximately 70 per cent).

Effective leadership and direction

75. UNDP launched its agenda for organizational change in 2011, stressing: (a) improved governance; (b) improved organizational effectiveness; and (c) leadership, culture, and behavior. Results performance review and monitoring, including the identification of clear action plans to redress performance weaknesses, are now integral to the agendas of the two most senior governance bodies in UNDP.

76. The identification of medium-term strategic priorities in the context of the strategic plan, the rollout of the first annual business plan and strengthened corporate planning system, and the intensification of work on results-based management and business models provided the momentum for UNDP to be more strategic, forward-looking, accountable and results-oriented. Procurement and recruitment packages were introduced to achieve efficiency gains and enhance flexibility and effectiveness at country level. The pace of reform will be maintained in 2012, refining UNDP operations to make it a more integrated, forward-looking, and result-focused organization; improve programme effectiveness and oversight; and deliver faster, lower-cost and higher-quality business processes.

Strategic partnerships developed and communications focus enhanced

77. In 2011, UNDP signed strategic partnership agreements with Mexico, Turkey, and South Africa, with the aim of fostering global development partnerships in support of developing countries to accelerate progress on the internationally agreed development goals. Those agreements, and those signed with Brazil and China in 2010, are in different stages of implementation. Initial progress includes the establishment and initiation of the Istanbul International Centre for Private Sector in Development.

78. UNDP forged partnerships with 14 principal civil society alliances, including the Africa civil society and governance assessments forum and the 'platform human development' initiative to promote civic engagement with the government and United Nations country teams on the Millennium Development Goals and human development.

Financial results

Income

79. The revised integrated financial resources framework is contained in the midterm review of the strategic plan. Overall contributions to regular and other resources were $4.83 billion – slightly above the estimate of $4.80 billion. Contributions to regular resources increased moderately, from $0.967 billion in 2010 to $0.974 billion in 2011 – just below the strategic plan target of $1 billion.

80. Contributions to other resources reached $3.86 billion in 2011 compared with the $3.8 billion envisaged in the strategic plan and the $4.04 billion contributed in 2010. Earmarked contributions from bilateral donors decreased from $1.62 billion in 2010 to $1.47 billion in 2011. Earmarked contributions from multilateral partners and the European Commission fell from $1.64 billion in 2010 to $1.52 billion in 2011. In contrast, local resources provided by programme countries increased, from $0.78 billion in 2010 to $0.88 billion in 2011.

Expenditure

81. Expenditures are presented in line with the classification of activities and related costs for the 2010-2011 biennium endorsed by the Executive Board in its decision 2009/22. Total provisional expenditure for development activities for 2011 amounted to $4.61 billion, of which $0.56 billion was funded from regular resources, and $3.17 billion and $0.88 billion from other donor resources and local resources, respectively. Total expenditure in United Nations development coordination, management and special purpose categories reached $0.15 billion, $0.39 billion and $0.1 billion, respectively. The ratio of expenditure related to management activities over total expenditure was 7.43 per cent. While higher than the 2008-2011

ratio of 7.23 per cent derived from strategic plan estimates adjusted in alignment with the classification of activities in Executive Board decision 2009/22, it represents an improvement over the 2008-2010 ratio of 7.71 per cent.

Table 4. Expenditure by category of funding

(in billions of dollars)

Category of expenditure	2008-2011 strategic plan estimates	2008-2010 expenditures	2011 expenditures
	(a)	*(b)*	*(c)*
Development	$18.5	$13.22	$4.61
United Nations development coordination	$0.37	$0.45	$0.15
Management	$1.5	$1.16	$0.39
Special purpose	$0.39	$0.27	$0.1

Table 5. Management expenditure ratio

(in billions of dollars)

Category	2008-2011 strategic plan	2008-2010 expenditures	2011 expenditure
Management expenses *(a)*	$1.5	$1.16	$0.39
Total expenses *(b)*	$20.76	$15.11	$5.25
Management expenditure ratio *(a:b)*	7.23%	7.71%	7.43%